Exhibit 1

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

WESTERNGECO L.L.C.,	§	
	§	
Plaintiff,	§	Civil Action No. 4:09-cv-01827
	§	
v.	§	
	§	Judge Keith P. Ellison
ION GEOPHYSICAL CORPORATION,	§	
	§	
Defendant.	§	

SECOND DECLARATION OF BRIAN HANSON

1. I am the President and CEO of ION Geophysical Corporation. I previously gave a declaration in this case on ION's financial condition in December 2015. The facts stated below are known to me through my job and they are true and correct.

2. During this severe downturn that all oil and gas companies and service companies have suffered through since 2014, ION has operated at a significant loss. In 2015 alone, ION consumed $89 million of its available cash and ended the year with a cash balance of $85 million. I was forced to lay off one half of ION's workforce, reduce the pay of remaining employees, and take other extreme measures to conserve cash. However, ION continued, and still continues to operate at a loss and our cash balances continue to decrease. We cannot function without cash.

3. Unfortunately, 2016 has been equally challenging. ION's cash balance has decreased from $85 million at the end of 2015, and dropped to $48 million (net of 15M in revolver borrowings) by the end of Q3 2016. This balance was further decreased in the fourth quarter when we paid WesternGeco the $20.8 million in royalties in this case.

4. While ION has not yet reported its fourth quarter financial results, subtracting $20.8 million from its Q3 cash balance of $48 million (net of borrowings) results in just under $27 million. This does not include any other losses in the fourth quarter which will be reported in our SEC filings by mid-February. We will update this affidavit and status of its current financials, after the fourth quarter is reported.

5. As supported by a January 2017 industry survey by Barclay's (attached as Exhibit A), capital budgets for ION's clients will be down an additional 23% in 2017, indicating continued difficult times in 2017. This is particularly acute for us because we face the maturity of approximately $28 million in senior secured debt in the first six months of 2018 following a year in which spending is again expected to be at historic lows.

6. Unfortunately, capital markets are not open for us to raise capital. During 2016, we led an exhaustive effort to raise additional capital with no success. Unfortunately, our industry sector is considered high risk and out of favor with both investors and bankers.

I declare under penalty of perjury that the foregoing is true and correct.

Brian Hanson

Executed on 20th day of January, 2017 in Houston, Texas.

EXHIBIT A

From: Jack Lascar <jlascar@dennardlascar.com>
Sent: Monday, January 09, 2017 11:07 AM
To: Rachel White; Mike Morrison; Steve Bate
Cc: IO; Patty Dorsey
Subject: Global 2017 E&P Spending Outlook & Sector Upgrade

This email was sent to: jlascar@dennardlascar.com

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9 January 2017

J. David Anderson, CFA +1 212 526 4016 jdavid.anderson@barclays.com BCI, US Completed: 09-Jan-17, 15:4
Released: 09-Jan-17, 15:4

View email in browser

North America Oilfield Services & Equipment

Global 2017 E&P Spending Outlook & Sector Upgrade

We want to flag thee notes out this morning: our 32nd annual Barclays E&P Spending Survey (*Cleared for Takeoff as Spending Inflects, 01/09/17*), our sector upgrade to Positive from Neutral (*Time to Go Long, 01/09/17*), and our equity strategy colleague Keith Parker's report (*Positioning for energy capex upturn, 01/09/17*) noting that Energy Equipment and Services is the 7th most "under-owned" industry.

Following an unprecedented two years of double digit declines, our Barclays E&P spending Survey indicates 7% global growth in 2017, slightly below the last two cyclical inflections in 2003 and 2010.

- **North America spending to increase 27% in 2017 (-38% in 2016):** Upside to lg-cap E&P growth of 58% if plowback ratio is closer to the 118% of cash spent in 2016 (assuming 105%). US rig count forecast to average 730 in 2017, ending the year at 850-875 rigs.

- **International spending to increase 2% in 2017 (-18% in 2016):** NOCs plan to increase spending by 9%, offset by declines among European IOCs (-7%), US IOCs (-15%) and International E&Ps (-7%). A mixed bag regionally, but we expect growth in almost every region except Europe.

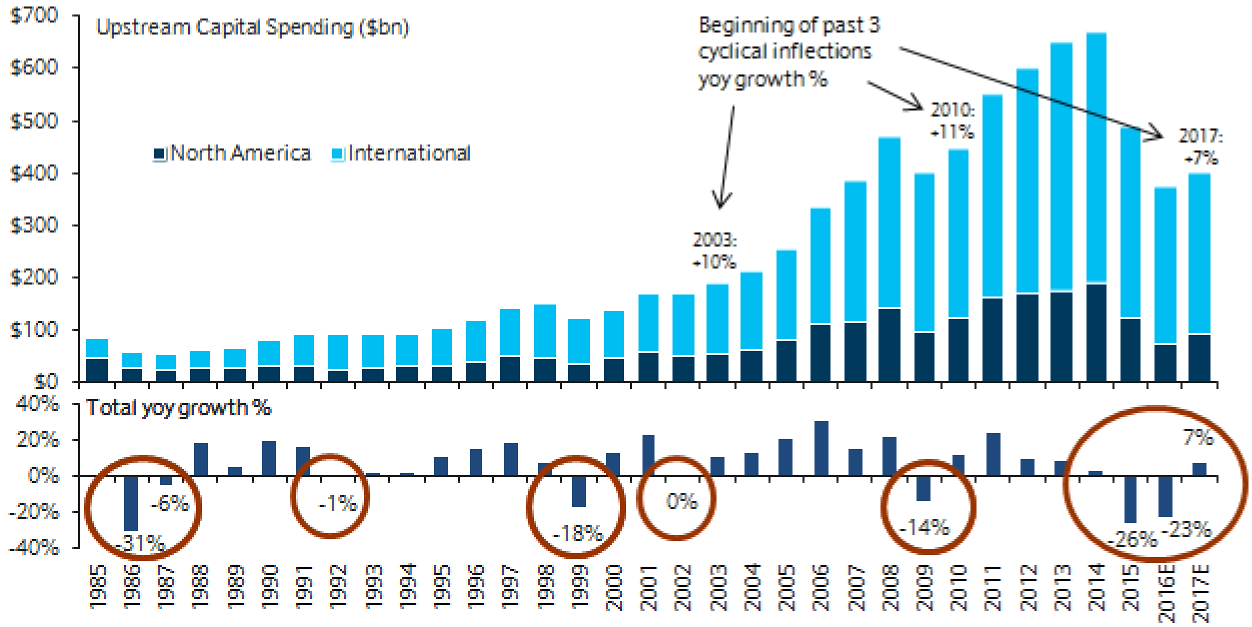
- **Offshore spending poised to fall another ~20-25% (-34% in 2016).** Offshore well spend represents ~15% of total spending, of which ~30% is from IOCs. We forecast 120 contracted floating rigs by the end of 2017 vs. 133 rigs currently.

- **Online survey shows ~80% of NAM E&Ps expect OFS costs to increase, primarily in pressure pumping and land drilling rigs.** Notably, more than 59% of respondents now believe less than 25% of cost reductions are structural…a big shift from the 45% of respondents from our survey in September.

Sector upgrade to Positive, raised PTs across the board, upgrades (FMSA to OW, DRQ to OW, NE to EW, and DO to EW) & downgrade (WFT to EW). The US supply chain will be hard pressed to respond to a 50% plus increase in E&P spend, thus neutralizing the glut of idled capacity and shifting rent firmly back to service companies after nearly a half decade of no pricing power. The potential for hyper EPS growth from pricing and operating leverage on rationalized cost structures supports rich multiples currently, in our view, given a likely beat and raise scenario starting in 2H17 (we do worry leading-edge 1H17 estimates neglect 1Q int'l seasonal lulls and are overly optimistic on the early trajectory of NAM pricing). The major risk is to the duration of the cycle with SLB, HAL, and BHI all calling for shorter, more range-bound cycles (i.e., putting peak multiples on peak earnings).

Energy equipment and services is the 7th most 'under-owned' industry. The top 10 owners of each of the stocks in the space own 44% of the industry. This means that ownership is highly concentrated in a few hands. Accordingly, if only a few investors account for such a large percentage of the float, the overwhelming majority of investors would seemingly be underweight; and thus energy equipment and services is 'under-owned'. Only six other industries have more concentrated ownership. If energy capex is at both a cyclical and structural bottom and turning higher, more investors will likely try to buy the stocks in the space; there could be a melt-up type scenario as many investors try to buy from a highly concentrated investor base that is reluctant to sell.

Barclays Upstream Spending Survey



Source: Barclays Research

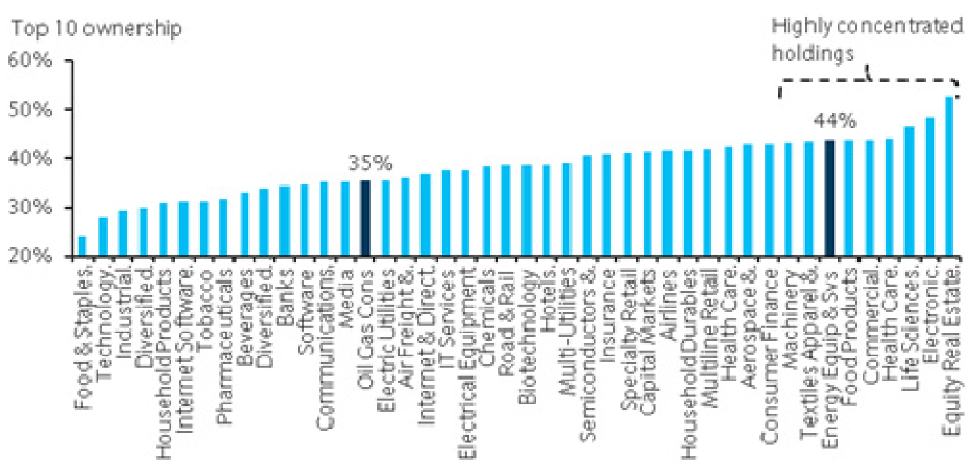
Worldwide E&P Capital Spending by Company Type / Region, 2015A-2017E

($mm)	2015A	2016E	2017E	2015-2016 %	2016-2017 %
US IOCs	49,667	33,146	33,080	(33.3%)	(0.2%)
NAM Large-Cap E&Ps	40,851	22,434	35,438	(45.1%)	58.0%
NAM SMID-Cap E&Ps	25,799	15,521	22,216	(39.8%)	43.1%
NAM Small / Private E&Ps	1,289	776	1,307	(39.8%)	68.4%
Int'l IOCs/NOCs	8,250	5,836	6,286	(29.3%)	7.7%
North America Spending	**$125,857**	**$77,713**	**$98,328**	**(38.3%)**	**26.5%**
Middle East	52,873	57,138	58,642	8.1%	2.6%
Latin America	55,117	34,500	37,529	(37.4%)	8.8%
Russia/FSU	37,242	35,263	38,750	(5.3%)	9.9%
India, Asia & Australia	77,974	62,527	70,335	(19.8%)	12.5%
Europe	28,378	21,680	20,359	(23.6%)	(6.1%)
Africa	21,629	17,642	17,912	(18.4%)	1.5%
Majors (International)	79,877	62,234	51,025	(22.1%)	(18.0%)
NAM Independents	8,810	4,327	6,858	(50.9%)	58.5%
Other E&Ps (International)	4,555	4,042	4,834	(11.3%)	19.6%
International Spending Total	**$366,454**	**$299,352**	**$306,244**	**(18.3%)**	**2.3%**
Worldwide E&P Spending:	**$492,311**	**$377,065**	**$404,571**	**(23.4%)**	**7.3%**

Source: Barclays Research, Company Reports

Note: We use companies that spend primarily in their home regions as a proxy for the regional breakout provided

Top 10 Ownership % by Industry



Source: Factset, Barclays Research

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